



State of Delaware  
Clean Water Advisory Council  
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Dover, Delaware 19901

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**Minutes of the Public Hearing**  
**FY 2010 Project Priority List and 2009 Intended Use Plan - Supplemental**  
**March 18, 2009**

The Delaware Clean Water Advisory Council held a public hearing on Wednesday, March 18, 2009 at 9:00 a.m., at the Delaware Technical & Community College, Conference Room 400A, 100 Campus Drive, Dover, Delaware.

**MEMBERS PRESENT:**

Jeffrey Bross, Vice-Chair  
Lee Beetschen  
Andy Burger  
Gary Burcham  
Mike Karia  
Hans Medlarz  
Chris O'Keefe  
Robert Stickels

**OTHERS PRESENT WERE:**

Terry Deputy, Division of Water Resources  
Daisy Lopez, Division of Water Resources  
Davison Mwale, Division of Water Resources  
Frank Paquette, Division of Water Resources  
Reza Moqtaderi, Division of Water Resources  
Greg Pope, Division of Water Resources  
Frank Piorko, Division of Soil and Water Conservation  
Sarah Cooksey, DNREC  
David Hugg, Smyrna  
Daryl Jester, Smyrna  
Jim Sullivan, DNREC  
Bipin Ranade, Tetra Tech Inc  
Kevin Donnelly, NCCD  
David Hill, OMB  
Jen Campagnini, DNREC/Office of the Secretary  
Jeff James, Sussex County  
Michele Warren, Sussex County  
Kathy Bunting-Howarth, Division of Water Resources  
John J. Ashman, SCED  
Larry Irelan, NCCD

David Beattie, City of Wilmington  
David Athey, URS  
Stu Lindner, Artesian Water  
JB Moore, Tetra Tech  
Rodney Wyatt, Artesian  
Barbara Jarrell, DNREC  
Mike Izzo, Sussex County  
Dan Strina, Green Stone Eng  
Charles O'Donnell, GMB  
Judy Schwartz, GMB  
Matt Geary, Environmental Alliance Inc  
Chad Reed, Teal Construction Inc  
Susan Webb, Sussex County  
Will Hinz, Whitman, Rehardt, and Associates  
Scott Adkinsson, DBF  
Eric Retzlaff, DBF  
Brian Murphy, O'Neill Property  
Dan Mtt, O'Neill Property  
Jon Husband, NCC  
Mike Harris, NCC  
Erika Benner, Controller Generals Office  
Ed Lewandowski, Center for the Inland Bays  
Cherie Clark, DNREC  
Ryan Flickinger, KCI  
Lonnie Heflin, WSI International

## **CALL TO ORDER**

Motion made by Mr. Bross and seconded by Mr. Karia to begin the Public Hearing. Hearing called to order at 9:00 am.

## **OVERVIEW OF FY 2010 PPL AND 2009 IUP - SUPPLEMENTAL**

The FY 2010 Project Priority List (PPL) is the 18<sup>th</sup> list prepared for the Delaware Water Pollution Control Revolving Fund (WPCRF). This is an annual function required by the WPCRF Operating Agreement between DNREC and USEPA.

Clean Water State Revolving Fund (CWSRF) workshops were held in New Castle, Kent, and Sussex counties on December 4, 11, and 18, 2008 to provide a program overview and inform municipalities and consulting engineering firms of the need to submit a Notice of Intent (NOI) for the PPL. NOI letters and forms were mailed out on December 30, 2008 with a due date of January 30, 2009.

Ninety-seven NOI's were received from 17 municipalities. \$1.5 million has been set aside for the Expanded Use Programs. \$94.6 million in project requests may be funded in whole or in part with Federal Stimulus Funds, base CWSR Funds, and possible USDA co-funding.

The projects were ranked based on the existing CWSRF Water Quality Criteria:

- Water Quality Protection 45 pts
- Targeted Waterbodies 20 pts
- Wastewater Facility Priorities 25 pts
- State Strategies for Policies & Spending 10 pts

The 2009 Supplemental Intended Use Plan is required by the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA requires that projects to be funded must be on the State's Project Priority List; must be under signed contract or in construction by February 17, 2010; must comply with Davis-Bacon Wage Rates, and Buy American Iron Steel and Manufactured Goods; and must comply with the existing CWSRF Federal requirements.

ARRA requires that at least 50% of the State's Capitalization grant be used for Principal Loan Forgiveness, Negative Interest rates or Grants and that at least 20% be used for a Green Project Reserve for green infrastructure, water or energy efficiency projects or innovative environmental uses.

It was proposed that anticipated ARRA Capitalization Grant \$19.2 million be used as follows: Program Loans at \$5.0 million; Project Subsidization – 50% required for \$9.6 million; Green Project Reserve (20% required) for \$3.8 million and WPCRLF Administration (4%) for \$769,564.

The project funding selection process is based on 2009 PPL applications solicited and received; the 2010 PPL ranking criteria; and projects that are ready to proceed by December 2009. The project subsidization is based on the WPCRLF Interest rate policy and MHI affordability. CWSRF projects closed after October 1, 2008 may be eligible for refinancing with ARRA funds.

Projects that may receive ARRA funding in Sussex County (not including USDA funding) are:

- Johnson's Corner for \$5 million with \$1.2 million in Principal Forgiveness
- Woodlands of Millsboro for \$640,000 with \$640,000 in Principal Forgiveness
- Oak Orchard for \$5.6 million with \$3.0 million in Principal Forgiveness
- Inland Bays WWF Expansion for \$1.75 million with \$1.3 million in Principal Forgiveness
- Angola Neck Refinancing for \$1.5 million with \$1.5 million in Principal Forgiveness

Total in ARRA assistance for municipal loans is \$14.6 million with \$7.6 million in Principal Forgiveness.

Estimated Annual Sewer Rates without Subsidy and percentage of Medium Household Income (MHI) are:

- Johnson's Corner : sewer rate = \$1,329; MHI = 2.69%
- Woodlands of Millsboro: sewer rate = \$1,990; MHI = 4.02%
- Oak Orchard: sewer rate = \$1,451; MHI = 2.93%
- Inland Bays WWF Expansion: sewer rate = \$1,052; MHI = 2.13%
- Angola Neck Refinancing: sewer rate = \$1,051; MHI = 2.02%

Project solicitation for the 20 Percent Green Project Reserve begins March 18 through April 17. Funding will be \$3.8 million for loans with \$1.9 in loan principal forgiveness. Project selection will be based on the Green Reserve criteria.

To help Delaware's economy recover, the Clean Water Advisory Council recommended an interest rate of 2.0% for ARRA and WPCRLF project loans under signed contract or in construction by December 30, 2009. The CWSRF Interest Policy and Affordability criteria can also be used, in addition, to lower the interest rate as necessary. The Council adopted the Green Reserve Criteria that will be used to evaluate projects.

The Non-Federal Administrative Account (NFAA) is required to be included in the Intended Use Plan. This account will be used to Supplement 4% CWSRF Capitalization Grant Program Administrative Allowance; fund the salary of a contractual employees in DWR Holding Tank Enforcement Program; fund CWSRF State match for future Capitalization Grants, if necessary; fund six positions within DWR; Capitalize a \$2 million Planning and Design Short-term Revolving Loan Fund; fund a Due-on-Transfer Septic Extended Funding Option Loan Program; fund Community Water Quality Grants; fund Wastewater and Stormwater Matching Planning Grants; and to fund a Stormwater position in the Division of Soil and Water. The NFAA will be reviewed annually to ensure its sustainability before any additional uses are considered.

It was asked if the \$1.5 million set-aside Non-Point Source Water Pollution Control Loan Program has been on the PPL before. It was stated that it has always been on the PPL in previous years and is used for the Septic, Dairy, and Poultry programs.

It was asked if the Stimulus money can be used for Leveraging. It was stated that the Stimulus money is strictly for funding projects. One of the IUP long-term goals is to explore leveraging to help meet the growing demand for loans.

**INDIVIDUALS REQUESTING TO SPEAK**

None

**PUBLIC RECORD TO REMAIN OPEN UNTIL APRIL 17**

Public record will remain open until April 17 for additional public comments. Written public comments should be directed to:

Terry L. Deputy, FAB Administrator  
Dept. of Natural Resources and Environmental Control  
Division of Water Resources  
Financial Assistance Branch  
5 East Reed Street – Suite 200  
Dover, DE 19901-7334

**ADJOURNMENT**

Motion made by Mr. Burger and seconded by Mr. Karia to adjourn the Public Hearing. Motion passed unanimously. The meeting adjourned at 9:20 am.